

World class trams for Edinburgh as project is given the green light

■ Willie Gallagher, Executive Chairman, Transport Initiatives Edinburgh (*tie*)

In a recent television poll, Edinburgh came out top of the list as the best place to live in Britain. Its combination of beautiful buildings and gardens, affluence, services, crime rates and culture put the judges in no doubt that Edinburgh is a great place in which to live and work. This success breeds success, and as such, Edinburgh is experiencing its biggest period of growth since Victorian times. This means more jobs, more residents, more tourists and more people trying to move around the city.

The knock-on effect is that Edinburgh's current public transport system, although one of the best in the United Kingdom, is near capacity. It is clear that doing nothing is not an option. Edinburgh's roads would soon be clogged, and moving around the city would be much more difficult.

The solution that the City of Edinburgh Council has chosen in order to meet the city's public transport challenges is to invest in a modern tram system. Trams are the best carriers of people in busy cities, enabling commuters to get to their destination quickly and cheaply. They provide a capacity of 20,000 people per hour, twice as many as existing modes of transport. This capacity means improved connections as trams connect people with jobs and leisure.

They can attract new investments and businesses along their routes. Across Europe, in cities such as Dublin, Nottingham and Strasbourg, trams have rejuvenated city centres and business areas. Importantly, trams are proven to make people leave their cars at home, more than any other form of public transport.

The Scottish Government and City of Edinburgh Council are therefore investing in Edinburgh's future by constructing a tram scheme that will be the backbone of the city's public transport network.

The proposed scheme comprises of two routes. Phase 1(a), which links Edinburgh Airport in the west of Edinburgh with the port of Leith in the east, via the city's key business areas and historic centre; and Phase 1(b), which joins the emerging housing and business developments to the north of the city to Phase 1(a) at an interchange at Haymarket.

Last month, we cleared the final hurdle in the approval of the scheme when Edinburgh Councillors overwhelmingly voted through the Final Business Case. They agreed that Phase 1(a) – costing £498m – should go ahead, with an option to commence Phase 1(b) – costing £87m – should the funding be secured. This gives the scheme a total cost of £585m. This figure is 99 per cent certain, with a £49m contingency fund built in and firm prices for design, utility diversion, legals and trams. The infrastructure costs for Phase 1(a) are firm and fixed with options for Phase 1(b). Councillors were therefore voting on a robust business case for a project that would not be exposed to cost escalation or overrun, and were confident in their decision to approve the scheme.

The trams will be funded by both the Scottish Government (which has committed £500m) and City of Edinburgh Council, which will fund the balance. The

TRAM

project, like all major pieces of public expenditure, has had intense scrutiny at every level. It has been approved by the Scottish Parliament, the City of Edinburgh Council, and Edinburgh's business community. It has also successfully passed the rigorous OGC3 Gateway Review.

The Scottish Government's new Finance Minister, John Swinney, also commissioned

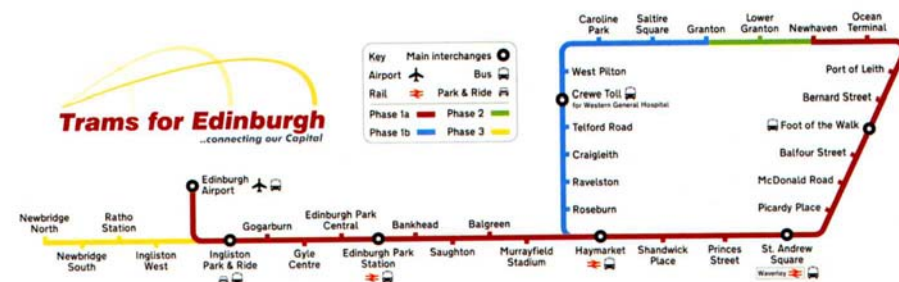
community and politicians, allowed the new Government to back the scheme.

It has been a long and sometimes challenging process to reach this point. The scheme had to seek Parliamentary approval (a process which took two years), followed by a year spent finalising the business case. This was run in tandem with an innovative procurement process

The focus, since the inception of the procurement process, has been on quality. The management team of **tie** has been unwavering in its commitment to this fundamental criteria. Success has been the outcome of every decision, whether selecting trams, designing the route, selecting contractors or managing the disruption caused by construction.

The utility contract was typical of the creative approach **tie** has taken. In order to minimise disruption in Edinburgh and to ensure more efficient completion, it developed a Multi Utility Diversion Framework Agreement (MUDFA), which allows one contractor to carry out diversions on behalf of a number of utilities including Scottish Power, Scottish Water and Scottish Gas Networks. This work is now underway and is being carried out by Alfred MacAlpine Infrastructure Services (AMIS).

The care taken in creating MUDFA is indicative of **tie's** wider recognition that Edinburgh must remain 'Open for Business' throughout the construction phase of the project. That is to say that



The proposed tram route

the Auditor General to examine the scheme and **tie**. The subsequent report commended the project's 'sound financial management and reporting' and its 'clear procurement strategy to minimise risk.' This report, along with the backing of Edinburgh's business

designed to manage delivery and cost and to minimise the risks associated with both. Rather than follow the model used by previous tram schemes, **tie Limited** divided the scheme into four main contracts; design, utilities, tram and infrastructure.

local businesses must not be adversely affected during the construction, and anyone that is impacted must be compensated. Therefore, in partnership with Edinburgh Chamber of Commerce,



The Edinburgh tram, with the proposed livery, makes its way along Princes Street

tie created an unprecedented Open for Business scheme.

It works on a number of levels. Firstly, we are committed to being transparent and open at all times. Put simply, Edinburgh's businesses know what is going to happen as far in advance as we can tell them. Any business adversely affected by the construction will be able to apply for compensation of up to £4000, as well as being eligible for rates relief. Open for Business, coupled with a stringent Code of Construction practice, and **tie**'s general partnership approach, has gone a long way to foster the support of Edinburgh's business community.

Spanish firm CAF is **tie**'s preferred bidder for the tram contract and BBS (a consortium comprising of Bilfinger Berger and Siemens) is the preferred bidder for the infrastructure contract. The separation of these contracts has allowed **tie** to negotiate keen prices and ensure that Edinburgh will receive the best combination; world class experts delivering world class products in

tandem. Quality, again, is at the heart of this process.

Transport Edinburgh Limited (TEL) has been an integral part of the procurement process. It is the company that will run the

combined tram and bus network once the trams are operational. The success of the new tram system depends heavily on how it is integrated with the surrounding network.

Trams and buses will be constituent parts of the same public transport network, sharing branding, fares, ticketing and information provision. They'll be promoted together and physical integration of the infrastructure will be seamless. This is already being shown on Edinburgh's streets with on-street ticketing machines which will provide bus and tram tickets.

The integration process began some time ago. TEL has been involved in the project since its inception and has played an integral role in the procurement team. It has been part of all key

decisions, ensuring that the trams themselves and the infrastructure are right for Edinburgh. The MUDFA work has begun in earnest and Edinburgh is slowly realising that after all the hard work, the City will have trams running on its streets in 2011.

What does the future hold once Phase 1(a) is operational? The vision for the capital is clear. I believe that Phase 1(b) will follow quickly and the support for Lines 2 and 3 will become far more vocal as tram patronage on the first lines exceeds our predictions. The suggested Tram-Rail-Airport interchange at Gogar in the west of Edinburgh will be built, using trams to link Edinburgh Airport into Scotland's rail network.

This vision for Edinburgh is built on the hard work of the team that got the tram scheme to this position and those people that will deliver the project on time and on budget. It is their diligence, dedication and commitment that have given the public and the politicians the confidence to support the scheme and to buy into the vision of an Edinburgh with a public transport system that will stand up to any in the world.

If we want to ensure Edinburgh remains as the best place to live in the UK, we must invest in the infrastructure that will allow the city to grow and develop. We must allow its citizens and its visitors to move around it quickly and efficiently. I truly believe that Edinburgh's world class tram system will achieve this. ■



biography

Willie Gallagher

Willie Gallagher joined the Board of **tie** in February 2006, as a Non Executive Director and was appointed Executive Chairman in June 2006. He brings with him extensive engineering and transport experience and has held senior roles within Scottish Power Group, the Strategic Rail Authority, Scottish Legal Aid Board, Lothian Buses and Transport Edinburgh Limited (TEL).

Gallagher is a Board Member of the Scottish Legal Aid Board, a Non Executive Board Member of Lothian Buses and Transport for Edinburgh, and he is also the Director of Touchdown Services Ltd, which provides consultancy and engineering services to the utility and construction sectors.

